LNF & IHCIF Calculations Illustration

- NEAH BAY in Portland area -

Given Data

- 3,544 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 33% = % Expenditures on purchased services, 67% = % expenditures in-house
- 111.9% = Cost index for purchasing health care in this geographic area
- 117.6% = Size cost index for in-house costs due to small or large size
- 96.9% = Portland area cost index for health status above or below average

Cost Adjustment Calculations

- $1,086 per person for purchased services = 33% * 111.9% * $2,980
- $2,364 per person for in-house services = 67% * 117.6% * $2,980
- $3,449 per person total = $1,086 (purchase) + $2,364 (in-house)
- **$3,343 per person total** adjusted for health status = $3,449 * 96.9%
- **$2,598 per person net cost** = $3,343 - $745 Other resources (M&M&PI)

Existing Expenditures (for 3,544 users excluding wrap-around and collections)

- $1,437 per person = local IHS allowance (excludes $ for wrap-around)
- $152 per person = expenditures elsewhere in Portland area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$1,644 per person for OU users** = $1,437 + $152 + $54

LNF Calculation

- **49.2% Gross LNF** = $1,644 (expenditures) / $3,343 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **63.3% Net LNF** = $1,644 / $2,598 net cost ($3,343 - $745 other)

IHCIF Allocation

- $0 = $ to raise LNF% from 63.3% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$0 Allocation** = $0 needed for 60% * 3.488% IHCIF fraction

NEAH BAY Unmet Needs

- **$9,207,960 Net Total Need** = 3,544 users * $2,598 net cost
- **$3,383,135 Net Unmet Need** = (100% - 63.3% LNF) * 3,544 users * $2,598 net cost